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SUBJECT: PLANS TO ESTABLISH FOUR MARITIME OPERATIONS CENTERS

CLASSIFIED BY: Debra L. Hevia, Political Counselor, State, POL;
REASON: 1.4(B), (D)

¶1. (C) Summary: Minister of Government and Justice Jose Raul Mulino announced in late October that the GOP intended to establish four maritime operating centers to interdict narcotics and other illegal items transiting Panamanian waters. The operation centers would be jointly manned by security forces from the Panamanian National Police (PNP), National Aero-Naval Service (SENAN), and National Frontier Service (SENAFRONT). The idea for a joint maritime task force incorporating various Panamanian security services originated in the U.S. Embassy's Law Enforcement and Security Working Group as a possible solution to a FARC drug trafficking organization operating on the Pacific Coast. When the Ambassador suggested the idea to Mulino and Vice President/Foreign Minister Juan Carlos Varela, both were enthusiastic. However, Mulino later muddled the issue in a premature and incorrect announcement of joint "bases" which implied they would be U.S.-Panamanian bases, sparking an outcry. Mulino and the service chiefs have now taken the original idea and expanded it to four potential locations. However, the GOP has not yet named a commanding officer or dedicated any specific resources to the idea, leaving us with the impression that it may have become too diluted to achieve the desired quick results. As we move forward, we must proceed cautiously with our support to avoid feeding the debate currently underway about U.S. attempts to re-militarize Panama. End summary.

Background and History

¶2. (C) Panama's territorial waters are one of the main trafficking routes in Central America, with recent estimates indicating that 2009 saw three times as much cocaine moving through Panama than in 2008, or more than 25% of all cocaine reaching Mexico transiting through Panama's waters. Drug trafficking organizations (DTOs) move drugs on short hops, requiring a sophisticated network of lookouts, refueling stations, and logistical support as loads are moved on to land and back to water. The network is resulting in rampant corruption and a spiraling violent crime rate. The GOP realizes it is losing control.

13. (C) One of the reasons the problem has grown is that the former National Maritime Service (SMN) was at best ineffective, and at worst actively collaborated with drug traffickers, since the time when Ricky Traad was its director (Sept 2004-March 2007). In addition to Traad's own crimes, for which he is being tried, Traad allowed corruption to invade most of the officer corps and the institution in general. As a result of SMN's manifest failure to confront drug trafficking, the Embassy's Narcotics Affairs Section (NAS) helped the PNP create its own maritime law enforcement unit, the Unidad de Mantenamiento y Operaciones Fluvial (UMOF). This unit has been Panama's most successful maritime law enforcement unit for the last several years. However, the UMOF was always a stopgap solution, and it has no real growth potential because the police lack the ability to develop a long, successive line of boat operators and unit Commanders. Interpreting their area of responsibility as including the coastal waters, National Frontier Service (SENAFRONT) also began developing a maritime capability to help patrol the coasts of the Darien and Kuna Yala provinces and the Darien river systems.

14. (C) As part of the security reforms instituted by former President Martin Torrijos, SMN was combined with the National Air Service (SAN) to form the National Aeronaval Service (SENAN) in late 2008. Former head of SAN Rigoberto Gordon was named the first Director of SENAN. By empowering a small group of like-minded officers, limiting the flow of information, and exercising tight control over the SENAN's most effective interceptor boats and

crews, Gordon and his deputy Commissioner Juan Vergara created a limited response capability within the SENAN that had not previously existed. After no seizures in the previous three years, the SENAN has seized over 4 tons of cocaine in the last year, and begun to build up its ability to effectively cooperate with U.S. maritime interdiction vessels.

Present Situation

15. (C) Despite these improvements, Panama has a weak maritime counter-narcotics response capability throughout the country. Most maritime assets are based in the Vasquez Nunez de Balboa (VNB) Naval base in Panama City, several hours away from any likely drug trafficking contact in the Pacific. Panama's Caribbean waters are basically undefended. U.S. Coast Guard and Navy ships on counter-narcotics missions patrol the waters around Panama, but to be truly effective, these ships need Panamanian interceptor boats to work with them. In addition, as a response to the U.S. presence off the Darien's Pacific coast, traffickers have begun to use slow moving "pangas" traveling very close to shore. The only way to cut this route is by putting Panamanian assets out to patrol close to shore and to board and search these vessels. Currently, none of the three police forces coordinate their patrolling or maintain tactical communication. It is vital to create a mechanism to coordinate the actions of the three forces, especially off Darien's Pacific coast.

Embassy Proposal

16. (C) Based on our on-going security dialogue with the new Panamanian administration and our united assessment of the urgency of the trafficking problem along the Darien Pacific coast, an Embassy team developed the idea of a 100 percent Panamanian joint maritime task force (JTF). The original proposal suggested the JTF would consist of the three Panamanian security forces with an operations center in Puerto Pinas, Darien. By concentrating Panama's resources in one strategic area, the goal was to cut off the route through Panama's territorial waters between Colombia and

Panama City. This would have the simultaneous effect of weakening the FARC in the Darien, which controls this route, and decreasing gang activity that feeds off drug trafficking in the greater-Panama City area. The project aimed to create a model JTF that could be replicated according to the evolution of drug trafficking patterns. The U.S. could provide logistical and training assistance through our regular NAS and SOUTHCOM funding streams and programs. The non-paper describing how the JTF might work was passed around enthusiastically at the top levels of the GOP.

Controversy Arises

¶7. (C) On September 26, while President Martinelli and Vice President/Foreign Minister Varela were in New York City meeting with Secretary Clinton on the margins of UNGA, MOGJ Mulino made a public appearance in Panama in which he mentioned "joint maritime bases," "international cooperation," and "United States" in the same sentence. At the time, the Defense Cooperation Agreement between Colombia and the U.S. was hotly debated in Latin America, and Mulino's off-the-cuff comments resulted immediately in press articles and op-eds decrying U.S. plans to re-establish our military presence in Panama. Although VP/FM Varela publicly clarified that the "joint" in JTF meant various Panamanian security forces, the suspicion that the U.S. seeks to establish bases here persists in journalistic, academic, and civic society circles. Therefore, both the Embassy and the GOP have sought to keep the planning low-profile. Nonetheless, we continued collaborating on the idea of a 30-man JTF housed in Puerto Pinas, which could be stood up relatively quickly with existing resources once the commanding officer and personnel were designated by the GOP.

Cooperation Agreement Between PNP, SENAN and SENAFRONT

¶8. (C) The Embassy continued encouraging MOGJ Mulino to work on a document that would establish the Puerto Pinas JTF, and on October 26 he announced to the press that the PNP, SENAFRONT, and SENAN had signed a cooperation agreement, which would allow the GOP to establish four joint aero-maritime operations centers to combat drug trafficking, arms trafficking, alien smuggling, and trafficking in persons in Panamanian waters and along coastlines. The four sites included:

--Puerto Pinas in Darien;

--Punto Coco, on the Pearl Islands (previously identified by the USG as a good forward operations site);

--Chapera, another of the Pearl Islands, which is embroiled in ownership controversy and which the USG therefore could not support, and whose proximity to Punto Coco calls its strategic value into question; and

--Rambala, in Chiriqui Grande on the Caribbean coast, where a previous agreement with a private oil company already allows the GOP use of a dock and other facilities.

¶9. (U) Mulino's announcement resulted in another press round of anti-GOP and anti-U.S. articles. During a November 2 All Saints' Day commemorative event hosted by the president of Panama City's municipal council, keynote speaker Julio Yao, a foreign affairs professor at the University of Panama, lambasted the GOP for its intentions to install "bases" with U.S. support and violate Panama's sovereignty. VP/FM Varela interrupted his speech to demand that he show some respect to President Martinelli and not distort the true intent of the government's plan.

¶10. (C) The agreement among the security forces, while a step forward, does not bring the GOP much closer to getting the JTF at Puerto Pinas up and running. Mulino must still designate a commanding officer and ensure forces are seconded to the unit. The public controversy is not the only hurdle to overcome, as it now appears that support for the idea, and for Mulino himself, may be waning in the GOP. VP/FM Varela told the Ambassador October 23 that the GOP planned to split the existing MOGJ into two ministries, one handling security issues and the other government services such as the post offices; Mulino would get the less glamorous portfolio. Minister of the Presidency Jimmy Papadimitriou told press at an independence day event on November 3 that he did not agree with Mulino's "patchwork approach" to security, adding, "Neither bases, nor police, nor prisons will solve the security problem....I don't know if the government shares my view, but it is

my personal opinion." He also said that a group specialized in security issues was evaluating the situation, probably referring to the Israeli firm Global CST (septel).

¶11. (C) The Embassy still fully supports implementation of the JTF model in Puerto Pinas, and is standing by to help with training and logistical support, including construction of a dock, operations center, and barracks if necessary. However, the USG must approach the issue with care, making sure it is seen as a Panamanian initiative and has full Panamanian ownership, and does not become a lightning rod for further accusations that the U.S. has military intentions toward Panama.
STEPHENSON